

STATE SENATOR • MARK SCHAUER • 19TH DISTRICT

Schauer Press Release



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Senate Republicans Approve Plan That Threatens Ability to Grow Jobs Schauer Opposes Reckless Policy That Jeopardizes School, Public Safety Funding

LANSING—Senator Mark Schauer (D-Battle Creek) opposed a plan approved by Republicans in the Michigan Legislature today that would eliminate the Single Business Tax at the end of 2007 without offering a plan to replace the revenue.

“Eliminating the SBT without a replacement plan is the wrong prescription for what ails Michigan’s economy,” said Schauer. “Instead of a responsible, aggressive plan to attract jobs, all this bill offers is uncertainty and confusion for businesses that might be willing to locate here.”

The Senate Republicans appeased their special interests, bolstered their election year agenda, and pulled the legs out from under Michigan’s economy all in one fell swoop with the vote to cut nearly \$2 billion that currently funds Michigan’s general fund budget.

The state’s general fund is the main funding source for higher education, prisons, state-funded health care programs, and assistance to local governments for police and fire programs. It is expected that funding for these programs will be reduced, individuals and small businesses will be required to pay more in taxes than they do currently, or some combination of both.

Experts and opinion leaders across the state have expressed great concern that making the cut without any details on how the revenue will be replaced could damage the state’s already fragile economy. Businesses considering locating in the state would not have any information on how or how much they will be required to pay in a replacement tax. This tax plan ambiguity left in the wake of this decision will make it *harder* to attract and retain major business, at the expense of the Republican party’s special interests.

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Mark Schauer is the Senate Democratic Floor Leader. He represents the 19th Senate District, which includes all of Calhoun County and most of Jackson County.